



**CITY OF SCOTTSDALE  
TOURISM DEVELOPMENT COMMISSION  
REGULAR MEETING**

**Tuesday, June 17, 2014**

**Kiva Forum – City Hall  
3939 N. Drinkwater Boulevard  
Scottsdale, Arizona 85251  
**APPROVED MINUTES****

- PRESENT:** Tom Enders, Vice-Chairperson  
Ace Bailey (arrived at 8:03 a.m.)  
Carl Grupp  
Camille Hill  
Ren Hirose  
Robert McCreary
- ABSENT:** David Scholefield, Chairperson
- STAFF:** Steve Geiogamah  
Holli Shannon  
Paul Katsenes  
Kroy Ekblaw  
Bill Murphy  
Brian Dygert  
Ben Moriarity  
Lee Guillory  
Paul Basha  
Corey Baker
- GUESTS:** Rachel Sacco, SCVB  
Caroline Stoeckel, SCVB  
Rachel Pearson, SCVB  
Fred Unger, Spring Creek Development  
Tom Etzel, ETZEL  
Bob Brown  
Margaret Dunn  
Michael McCloud  
Con Englehorn  
Sandy Schenkat  
David Smith  
Michael Mayer

**1. Call to Order/Roll Call**

Noting the presence of a quorum, Vice-Chairperson Enders called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m.

**2. Approval of Minutes**

- May 20, 2014 Regular Meeting

**COMMISSIONER HIROSE MOVED TO APPROVE THE MINUTES OF THE MAY 20, 2014, TOURISM DEVELOPMENT COMMISSION REGULAR MEETING. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER BAILEY WAS NOT YET PRESENT, AND CHAIRPERSON SCHOLEFIELD WAS ABSENT.**

**3. Manager Reports**

a. Staff Bed-Tax Collection Report

Mr. Geiogamah reported that bed tax collections for the month of June are up 10% year to date. Miscellaneous retail sales tax revenue is also up about 10%, while restaurant is up 6%. By classification, the resorts are up 9.9%, full service hotels up 8.7%, and limited service is up 8.2%. Commissioner McCreary reported that the June through September period is looking strong. Commissioner Hirose reported no anticipated change through summer and fall, which is typically slow. Commissioner Grupp predicted the strongest summer to date.

b. Bed Tax Proforma

Mr. Geiogamah noted that the proforma was updated to reflect the funding requests approved last month, as well as new revenue projections.

c. Smith Travel Report

Mr. Geiogamah said occupancy is generally trending upwards. He asked the Commission whether they would like to continue receiving data on the business meeting market. The TDC felt that information was important.

d. Program Updates

Mr. Geiogamah had no program updates to provide.

**4. WestWorld Marketing and Sales Strategy**

Fred Unger, Spring Creek Development, introduced the WestWorld marketing team: Brandon Maxwell, Bob Brown, Kelley Bolender, Tom Etzel and Paul Mardesich. City

staff members Paul Katsenes and Brian Dygert have also worked very well with the team. The entire sales force has been in place since April 1 and have accomplished a great deal in that time. He said WestWorld is well designed, well built and is now being well received.

Bob Brown said the Scottsdale Beer Palooza is the one event that will be held at WestWorld before the end of the fiscal year on June 30, and it will generate \$24,180. The sales pipeline contains ten different companies that represent three different categories: consumer shows, special events, and a trade show. The trade show has potential for revenue equating \$113,600. Thirteen companies, representing ten consumer shows and three special events, have completed site visits, representing a potential of \$280,000. Seven consumer shows have completed site visits and given verbal approval to issue license agreements and deposit schedules. Anticipated revenue for these total nearly \$800,000 in revenue. Eleven events have closed deals representing potential revenue of nearly \$335,000. In less than 90 days, the value of revenue in the pipeline is nearly \$1.5 million.

Mr. Brown said site visits are very important, as they get event producers to see Scottsdale and the WestWorld facility firsthand. Eighty-five companies have toured since March 15. The sales force has attended national and regional trade shows, generating very qualified leads, including four national consumer shows and two national trade shows. The team is also working on new client acquisitions that could generate up to 700 room nights. Increasing market segmentation and attracting off-season targets are other goals of the mission. Scottsdale Beer Palooza, the Fourth of July celebration, and Rob Zombie's Haunted House are examples of events that will take place between May and September. Summer will also see a number of sports-related events that generate many visits. WestWorld can also accommodate local corporate business events and non-profit fundraisers. Even if an event chooses not to book WestWorld, producers are introduced to representatives from other Scottsdale venues. No events were held at WestWorld during the last Super Bowl in the Valley, but next year there will be two.

Mr. Brown stated that marketing tool updates will play an important part in the team's success. A new website [www.westworldaz.com](http://www.westworldaz.com) was launched three weeks ago, with a singular focus on WestWorld, and a link to the City's website. It will provide a great deal of information very succinctly. Several social media accounts have been developed just for WestWorld, including @WestWorldAZ on Twitter, as well as Instagram, LinkedIn and Facebook. The logo has been updated. A portable trade show booth has been purchased. A toll-free 800 number has been secured. WestWorld is also listed as a facility in several trade show industry publications and websites. He listed the numerous hospitality organizations that WestWorld has joined, which can serve as pipelines to new business.

Commissioner Hirose inquired about WestWorld's strengths and weaknesses as perceived by the site visitors. Mr. Brown responded that guests like the North and South Halls, the parking, the opportunity for outdoor/indoor events, and Monterra. They frequently express amazement about the facility's potential beyond horses and cars. They also like its openness and user-friendliness, compared to most convention and exhibition facilities. The primary limiting factor cited is the lack of meeting space, though

some temporary solutions are being explored, and clients can work with local resorts to utilize their meeting space.

Commissioner Hill asked whether any CAD drawings have been made available on the facility's electrical features. Mr. Brown said a floor plan exists in both CAD and static forms to illustrate the number of exhibit spaces that can be placed in the North Hall, along with electrical points. Commissioner Hill offered to send a group of event producers to meet with the WestWorld marketing team to discuss the facility from their point of view.

Vice-Chairperson Enders said the TDC has been waiting a long time for this type of energy to build around the facility. It is nice to see the numbers that the team has generated. He requested that future reports also include room night forecasts, and suggested that a Commissioner meet with the team to provide guidance on the type of information to include in the report.

Vice-Chairperson Enders opened the public hearing.

Michael Mayer, a resident of McDowell Mountain Ranch, said he favors quality events at WestWorld, but Beer Palooza is not one of them. It is a call to get drunk without restraint. Cody Clark, who was injured by a drunk driver, already has a multi-million civil suit against Scottsdale. The City is showing willful intent to profit from over-serving alcohol and drunk driving. Beer Palooza will serve the equivalent of more than eight bottles of beer per person, which is a violation of state statute. The statute would also hold the City liable for continuing to serve intoxicated persons. He said the event will cause hundreds of DUIs to occur in his neighborhood. He requested that alcohol-related events be stopped or drastically limited at WestWorld. The Beer Palooza contract should be cancelled.

The public hearing was closed.

## **5. City Trolley Program – Day Tripper**

Mr. Geiogamah noted this item has been pulled from the agenda by staff. A presentation will occur at a future meeting.

## **6. Civic Center Mall Capital Improvement Update**

Cory Baker, Scottsdale Center for the Performing Arts, provided an update on the effort to improve the Civic Center Mall to better serve as a venue for events and year-round activities. The entire Civic Center Mall, which extends from 75<sup>th</sup> Street to Brown, would benefit from a master plan. Funding for the master plan went into the 2013 bond, but it was voted down. While continuing to work towards the goal of a master plan, staff is exploring upgrades that could be done in the meantime. Event producers have consistently stated their desire to have a venue located in downtown. The Mall has many issues that have to be overcome, however, before it can realize its potential in this regard.

Ms. Baker said the goals are to attract new and existing festivals and destination events. Many more requests for the space are made than can be accommodated. The lack of adequate infrastructure, shading, and seating limit the facility to use only 25 weeks per year. About 70 events are held in that time frame. Many things have to be built temporarily for each event, which gets expensive. A revitalized Mall will attract tourists and economic activity to downtown.

Ms. Baker reviewed the types of changes being proposed. Behind the library, there is an amphitheater, but it costs about \$30,000 to build the stage up from scratch. A more permanent stage with rigging, equipment and limited back of house functions and storage would make this space much more attractive. Seating options would also improve the guest experience. Near the SCPA is a slab of concrete that currently serves as a makeshift stage, but more permanent infrastructure would also make this space more user-friendly. Other needs are for landscaping alternatives and equipment storage that would make the place event friendly while retaining a nice appearance. Signage and wayfinding, enhanced lighting, and power sources round out the set of needs. This project aligns with the Master Plan and could be completed in a short amount of time. It could increase use during shoulder seasons. All these proposed improvements could be built into an eventual master plan.

Ms. Baker stated that the potential return on investment is strong. Currently about 120,000 people attend the 70 Mall events, which occur in less than half of the calendar year. It is reasonable to expect doubled attendance with more calendar days being made available, resulting in a \$6 million economic impact.

Commissioner Bailey suggested the possibility of changing the name from "Mall" to "Plaza." She inquired about utilizing the roof of the SCPA as a venue space. Ms. Baker explained that the roof was built to be able to support a sculpture garden. Currently it is just a flat open space, but it has potential to be included in the park. Commissioner Hirose requested information on the cost of the master plan. Mr. Geiogamah said the Commission would receive another update in fall with firmer numbers and possibly a funding request.

## **7. Scottsdale Sonoran Preserve – Tonto National Forest - Tour Funding Request**

Kroy Ekblaw, Preserve Director, provided an update on the status of motorized, guided jeep tours in the Scottsdale/McDowell Sonoran Preserve. The northernmost lands of the Preserve were formerly held as State Trust lands by the Arizona State Land Department. Three jeep tours operated on land north of Dynamite and east of 118<sup>th</sup> Street. Scottsdale had been working on a Special Land Use Permit for this area, however the City acquired the land prior to completion of the SLUP agreement. With that acquisition, the Preserve Ordinance, which prohibits motorized vehicles, became the lead document for these lands.

The Preserve Commission reviewed options at the request of tour operators who asked to be allowed to continue operating. They ultimately chose not to support the tours, but City Council selected four operators to participate in a test program. The program ran from September through May, with 1,100 total clients on tours, using 370 vehicles on

260 trips. No complaints or public safety issue were reported, and the program generated just under \$38,000. The Tonto National Forest can accommodate additional jeep tours, and there are a variety of ideas for collaborative efforts that could benefit all parties and user groups.

Mr. Ekblaw said the Preserve Commission, on June 5, recommended extending the permit process for one additional year only, using the same route as last year, minus one rarely used extension. They also recommended that staff investigate either restricted use in the Preserve, or the option to move jeep tours into the Tonto National Forest. A number of National Forest routes are available in close proximity to Scottsdale, and 20,000 user days are made available just for jeep tours there. Many other activities could also be accommodated through this channel. A third option is a combination of Tonto and Preserve routes. A funding source of at most \$30,000 is required to expedite the Forest Service's application review. He noted that up to \$30,000 is available in the FY2014/15 bed tax non-operating budget. Staff has already begun working with Tonto, who have indicated that with expediency they could process applications by April 2015.

Rachel Sacco, SCVB, explained the benefits of moving forward with the program. The Tourism Strategic Plan identifies the importance of love of place, and jeep tours contribute to that by offering a unique experience for visitors who come to Scottsdale. The proposal provides increased capacity to the guides and outfitters, and Scottsdale would be the launching point for that experience. Visitors attending group meetings rarely have more than two hours to experience the desert, and jeep tours and guided hikes give them that. The program would maintain jeep tours as an important and unique tourism opportunity. Jeep tours provide direct contact with the Sonoran Desert, which is Scottsdale's most distinguishing feature. The more people who can understand the desert, the more passion will be fostered for its preservation.

Ms. Sacco stated that many young families, the elderly, and people with time constraints would like to have this type of experience, but would otherwise not be able to. The tours serve as a framed experience that tourists can return home and talk about. She said it is good to see the TDC and the Preserve Commission collaborating to mutual benefit.

Commissioner Hill asked whether the trail is open just to jeeps or are other activities allowed. Mr. Ekblaw explained that it is a multi-use trail, but the jeep tours are the only motorized use allowed in the Preserve. The remoteness of the area minimizes the potential for conflicts with other users. He added that there are a number of areas where the Preserve Commission and the TDC could collaborate, and a joint meeting between the two has been proposed.

Commissioner Hirose asked whether the Preserve Commission would consider extending the permit for two years to give the Forest Service time to review the applications without having to spend \$30,000 to expedite the process. Mr. Ekblaw noted that the Preserve Commission did not approve the permit last year, and felt it was important to limit the extension to only one year.

Commissioner Grupp said the Preserve is an iconic piece of the Scottsdale brand that the destination should own. Commissioner Bailey concurred that the tours are very important to Scottsdale tourism. Vice Chair Enders inquired about the jeep tour

operators' opinion of the proposal. Mr. Ekblaw said they are supportive of the direction and the intent.

**COMMISSIONER HIROSE RECOMMENDED APPROVAL OF UP TO \$30,000 IN FUNDING FROM THE ONE-TIME COMMITMENTS (CAPITAL / EVENT / ADMIN) FUND TO EXPEDITE THE TONTO NATIONAL FOREST REVIEW PROCESS OF OUTFITTER APPLICATIONS AND TO SUPPORT THE PRESERVE COMMISSION'S RECOMMENDATION TO EXTEND SPECIAL USE PERMITS FOR ONE YEAR WHILE A MORE PERMANENT SOLUTION IS FOUND. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0). CHAIRPERSON SCHOLEFIELD WAS ABSENT.**

**8. Identification of Future Agenda Items**

Mr. Geiogamah said the July meeting might be cancelled, but if it does occur, agenda items could include the SCVB annual report, and an update from the Tourism Advisory Task Force.

Commissioner Hirose asked whether the TDC would have an opportunity to provide feedback on the proposal to discontinue the Day Tripper trolley. Mr. Geiogamah said they would.

**9. Public Comment**

Michael Meyer commented on item number 4.

**14. Adjournment**

The meeting adjourned at 9:27 a.m.

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